



Memorandum

Development Services

DATE: July 26, 2001

TO: Mayor and City Council

FROM: Dave Fackler, Development Services Manager (480-350-8530)

SUBJECT: **Downtown Parking Update – Phase III Parking Study**

HISTORY & FACTS:

Attached for the City Council's information and review is a letter from Rod Keeling, Executive Director, of the DTC outlining an overview of the DTC's Downtown Parking Plan and Program on which Mr. Keeling and Dave Fackler will update the Council at the Council's June 7th IRS Meeting. Also attached is an initial Phase III issues assessment report performed by Chance Management Advisors, Inc., who are the parking consultants hired jointly by the City and the DTC, to carryout the planning for Phase III of the Parking Plan.

Primary to this update will be the progress to date on the planning efforts relate to Phase III of the DTC's Parking Plan. The City's Development Management Team has reviewed the DTC letter and the Chance assessment report and agree with the conclusions and recommendations presented in the DTC letter.

Recommendation:

Concur in the recommendations of the DTC and continue the process of finalizing Phase III of the DTC Downtown Parking Plan.



DOWNTOWN TEMPE COMMUNITY, INC.

May 21, 2001

Dave Fackler
Development Services Manager
City of Tempe
31 East 5th Street
Tempe, Arizona 885281

Dear Dave,

Attached is the interim report memo from Chance Management Advisors on our Phase3 parking study. The memo raises more issues than it resolves, indicating we still have a lot of work to do. Before we proceed further with the Phase3 project, the DTC Parking Committee would like to get some Council input and direction. The DTC Parking Committee has the following views on the primary issues that have been identified:

History and Facts

When the DTC was formed in 1993, one of the projects assigned to the organization in the initial "Menu of Services to the District" was to conduct a survey of parking inventory and use and to develop a management plan for the better use of downtown parking facilities. The survey and inventory were completed in 1994 and the management plan was adopted by the DTC Board and accepted by the City Council in 1995.

The plan called for the implementation of a parking management plan in three phases. Phase1 was the management of the on-street and certain City owned lots with electronic parking meters. After a year long test of two systems, the Ventech meter was selected and 44 units were installed in the downtown in 1997 that managed nearly 800 parking spaces for public use. The electronic meters provide a coupon that may be redeemed at over 100 downtown businesses effectively providing validation for customers and visitors of city offices. Currently, about 600,000 transactions on 600 spaces occur each year with about 20% of the users redeeming the coupon.

Phase2 called for the cooperative effort of the major private parking owners to establish a comprehensive and consistent parking management policy that made it easier for the public to use downtown parking. The key feature of Phase2 was the agreement by the private owners to enter a "universal validation" agreement. This agreement allows patrons and visitors to City offices to park anywhere in the system's 4500 parking spaces and receive validation at any participating business or agency. Currently, Phase2 provides free parking at 1800 spaces on 5th and Maple Streets until 4pm. During those times when Phase2 lots and garages are managed with a fee, 84% of all users receive full validation.



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Phase3

The third and final phase of the management plan was to conduct a study of how the supply of parking was determined and if that supply was adequate to meet the demand that the downtown and the various projects generated, including new civic projects. Late last year, Chance Management Advisors were contracted by the DTC to conduct the review to allow us to move forward on our Phase3 goals.

Major Findings

While Chance identifies 5 issues, we believe that they can be summarized into three major points of discussion:

First, we need to connect the management group, currently the DTC Parking Committee, with the planning decisions made by Development Services. Right now, the DTC Parking Committee is like a “parking cooperative” that has members representing the City, ASU and the major private parking owners. The co-op members participate so long as the co-op policies are fair to all participating members. If a new development is approved that adversely effects the existing co-op members, then either that new development will be left outside the co-op or the co-op falls apart due to the inequity of the new project forcing their demand onto existing owners. Chance talks of a “parking authority” that might have broader powers. Without ownership of the parking, the refinement of the existing “cooperative” seems to be our best option.

Recommendation

Formalize the “Downtown Tempe Parking Cooperative”, require all new projects to participate and give the co-op a role in the planning for new parking facilities.

Second, we need to review and refine the Tempe shared use parking model. Under its current use, there is some question as to the accuracy of the model in predicting the actual demand of a project. The DTC believes that the parking cooperative needs to be involved in the determination of parking supply for new projects. Without this review, the cooperative probably is not sustainable over time. This would include a periodic survey and inventory of parking facilities. It would also include some “real world” analysis of each project to “prove out” the model.

Recommendation

Evaluate the Tempe shared use parking model and make changes as needed. The DTC Parking Committee/parking cooperative, with its broad representation, should lead this process.

Third, we should complete an analysis of “civic demand” parking and how the City is currently meeting that demand. There is concern that the City, as one of the cooperative partners, has under parked its demand for city facilities. If true, this establishes an inequity in the cooperative that needs to be addressed.

Recommendation

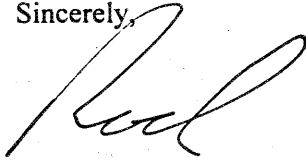
Conduct an analysis of the City Hall Parking Association and an assessment of other civic demand generated by City facilities such as Tempe Beach Park, Tempe Town Lake, the existing performing arts center and others, and report back to the Council on the findings.

Fiscal Note

The budget for the Phase3 project is \$35,000, split between the City and the DTC Parking Operation. Currently, we have spent approximately \$13,000 to date. The DTC Parking Committee would recommend to the Council that it direct the Committee to carry out these recommendations using the services of Chance Management Advisors or other firms as appropriate, all within the remaining funds available.

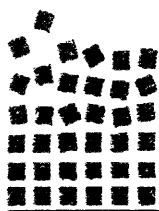
Dave, if you could submit these ideas and the Chance memo to management for their review and then to the Council for input and direction, I would appreciate it.

Sincerely,

A handwritten signature in black ink, appearing to read 'Rod', with a stylized flourish extending from the end.

Rod Keeling
Executive Director

cc:
Roger Egan, Chair, DTC Parking Committee



CHANCE
MANAGEMENT ADVISORS, INC.

Memorandum

To: ■ Rod Keeling
Company/Organization: ■ Downtown Tempe Community
From: ■ B/C Barbara J. Chance and Dave Hunt
Subject: ■ Parking Issues and Recommended Approaches to Solutions
Date: ■ 18 April 2001

This memo conveys our assessment of the major parking issues facing downtown Tempe. These conclusions were reached after our site visit in January, including observations and many interviews, and subsequent discussions and research. For each major issue, we have developed a recommended approach to solutions that we believe will help Tempe as it moves into a challenging downtown future.

ISSUE 1: A broader and more responsive parking review process is needed. The decision making process for ascertaining parking demand and determining parking entitlement for development projects is too isolated, and it is widely perceived by both government and business that the existing shared parking model is no longer valid given the volume of development anticipated. The parking review process is too separated from the larger downtown planning issues, as well as from operational realities and the overall financial effects.

APPROACH TO SOLUTIONS: *Create a new parking review mechanism, taking into account more planning, operations, and financial issues.*

A broader parking review mechanism should allow for better monitoring of the supply and management of Downtown Tempe's parking. At present, no one knows how far away Tempe is from a real parking deficit that will be extremely harmful to the downtown. While a variety of models for a parking review organization exist, there are several issues that need to be carefully considered in the development of such an entity, including:

- ☐ discussion of potential or proposed private developments in a group that would include diverse representation;
- ☐ discussion of proprietary information or sensitive developments in an organization that might be governed by "Sunshine Laws" (open meetings and public access);
- ☐ adequate representation of key stakeholders (City, DTC as operator, merchants, residents, ASU, etc.) balanced against a manageable size of group or governing body; and
- ☐ the potential of assignment of a City function to some other sort of organization

In a brief review of the Arizona Revised Statutes (ARS) and the Tempe City Code, it appears that Arizona has no enabling legislation for Parking Authorities, and that authorities are used for very traditional functions, such as water and waste. However, Tempe's charter does allow the City Council to create commissions for various purposes. The Planning Commission is authorized in the ARS, but the Charter allows the creation of other commissions for public purposes. The number of members and the exact composition appear to be left to City Council to determine. (All of this is, of course, subject to more exact interpretation by the City Attorney or those advising DTC.)

The Commission itself could be rather small, but it could have an advisory group (as many parking departments and authorities do) that discusses issues of policy, priority, and development. The smaller Board could go into executive session for sensitive decisions and others allowed by the Sunshine Laws. The Commission could also delegate parking operations to DTC on behalf of the City.

There have been some other examples of Parking Commissions (e.g., Baltimore in earlier days). They have not been as independent as authorities, but have been more broadly focused on policies and development than many City departments are.

CMA recommends that we pursue the viability of a parking commission or similar organization with the City Attorney, working with DTC to consider the issues of representation, responsibilities, and relationships with other City and outside entities.

ISSUE 2: Data related to past calculations of parking demand and entitled supply from previous development or public projects are not available for general use by those working on parking issues in downtown Tempe. Thus the lessons that may be learned from the past are not used to make better and more informed decisions for the future.

APPROACH TO SOLUTIONS: Create a database of past development projects and related parking decisions resulting from use of the Tempe Shared Parking Model.

CMA recommends that these data be made available, and CMA will reformat the information into a database that allows analysis and understanding of the past, as well as insight for the future. Prior developments should be reviewed to determine whether the cumulative parking entitlements match the reality of parking supply. The database of past parking decisions will be a useful tool in anticipating any future concerns regarding equity in parking allocation decisions.

ISSUE 3: No follow-up has been done to determine whether the entitled parking for developments has been inadequate, adequate, or excessive once the development is actually in place. Thus no "post planning" analysis has investigated whether the shared parking model was an accurate predictor of parking conditions. Tempe has been fortunate in the past that parking supply has continued to exceed demand downtown, but many believe that this was more a factor of underdevelopment of downtown than accurate assessment of parking supply and demand. Further, many believe these conditions no longer exist, and that demand now is exceeding supply due to new development and displacement of parking spaces.

APPROACH TO SOLUTIONS: Analyze the City Hall Parking Association and its developments to determine how it functions and if the parking model has worked for this area.

Many individuals voiced concerns about the ultimate effects of the developments and parking needs in the City Hall Parking Association area. CMA recommends that we analyze this area, the parking entitlements created under the Tempe Shared Parking Model, and the actual parking supply and demand that has resulted as the developments and other area changes have occurred. This analysis "after the fact" will be compared to the planning model to determine what the real circumstances are. Inferences for future planning will be developed as appropriate. Alternative methods of assessing parking demand for this area will also be investigated for what their predictive value would have been.

ISSUE 4: There is concern in downtown Tempe that government and public venues (e.g., City Hall, the Courts, the Art Center, Police and Fire, the Lake, etc.) are not providing adequate parking for employees and visitors. This in turn forces other private spaces, or on-street spaces, to be used for what may be called "civic demand". If the public sector is not adequately providing for its parking demand, this increases the pressure on spaces provided for private business, commercial activities, shopping, private employees, and even residents. In turn, this has an impact on the operating viability of the Shared Parking Model for private development.

APPROACH TO SOLUTIONS: *Develop a civic demand strategy.*

As defined in our previous memo of 20 March 2001, this entails evaluating the construction of one or more public garages by the City as opposed to a series of jointly-funded garages with some public use at locations throughout the Downtown. CMA favors this second concept in theory because of its flexibility; it does, however, require certain operational and technical components to be in place in order to be successful. Further, the civic demand solutions should lead Tempe in terms of progressive responses to the use of underutilized spaces in the downtown, park-and-ride components, incentives to reduce parking demand, use of new parking technology, and innovative shared parking. The private sector can hardly be asked to embrace these concepts if government does not do so also. The civic demand strategy will take into account the data and information developed in the other tasks proposed in this memo, and it likely will be the culmination of all these efforts.

ISSUE 5: Employee parking is a real and difficult issue in downtown. Employees should not occupy prime spaces needed for visitors, shoppers, those coming to government offices or activities, etc. However, many employers – especially those in locations with inadequate or no off-street parking – have no alternatives to "prime" spaces for their employees. At the same time, off-street parking spaces sit vacant in other areas of downtown. There is no mechanism to match the needs for employee spaces with the vacant spaces that may exist elsewhere in the downtown.

APPROACH TO SOLUTIONS: *Evaluate a "Universal Downtown Employee Permit" system.*

A concept has surfaced that may help to better utilize existing parking spaces as well as solve some employee parking problems. This is the idea: create a permit system for employees that keeps track of vacant spaces suitable for employees and matches employer needs as they arise. A "universal" employee permit would allow parking owners (or operators under lease) to "trade" permits and spaces as needed, with parking rates paid for by the employees or on behalf of them by the employers. DTC would originate and maintain the database and permits, working with owners of vacant spaces to ensure that only the appropriate number of permits are allowed into the vacant spaces. An employer with employee parking needs could call DTC, find out spaces available (as updated in the database), and make a decision to participate or not. DTC's responsibility would be to administer the program and work on a constant basis with owners of parking supply to keep current the number of available spaces.

Rod – we believe these five tasks will address the primary issues uncovered in our site visit and interviews. In their execution, we may find other underlying issues, but we can discuss those with you as we go along. These tasks are more extensive than our original scope, and if DTC decides to proceed with them we will need to refine with you our existing contract.

We look forward to hearing from you after these tasks are discussed.